

Regional and Local Designation and Redesignation Steering Committee Meeting

January 23, 2015

1:00 P.M.

Capital Plaza Tower, 3rd Floor

Attendees

Committee Members: Nick Brake, Rep. Leslie Combs, Erik Dunnigan, Larry Ferguson, Greg Higdon (Co-Chair) Sen. Jimmy Higdon, Beth Kuhn (Co-Chair), Wendell Lawrence, Malcolm Ratchford, Dana Russell, Reecie Stagnolia, Diana Taylor, Jeff Whitehead, Steve Wimsatt

Absent: Tim Gibbs, Gary Robertson

Staff to Committee: Beth Brinly

Others: Hugh Haydon, Melissa Aguilar, Rosemary Holbrook, Lori Collins, Ron Crouch, Tom Howell, Barrett Ross, Elizabeth Hack, Linda Prewitt

Ms. Kuhn welcomed the committee and facilitated introductions. She further stated that the purpose of the meeting was to dig into the data and other materials in order to provide preliminary designation/redesignation recommendations to be presented at the listening sessions in February.

Mr. Higdon suggested that committee members may want to attend one or all of the Listening Sessions and those legislators should be notified of the sessions. The Listening Sessions will have the same format and content and will be discussed later in the meeting.

Minutes from the January 17 meeting were reviewed and motion to accept was made and seconded.

Ms. Brinly stated that through today's discussion, the committee should reach consensus on recommendations for initial local and region designations and discuss Listening Sessions approach and structure of feedback report. Everything will be posted to the public website before the listening sessions.

Ms. Brinly provided an explanation of the process used to analyze the data and other materials made available to the committee. A 70% threshold of workers in the area was used. She provided an in-depth review of the commuting pattern data. The Committee performed a more comprehensive review of two of the current areas "in-play"—Bluegrass and Barren River -- (areas that may not have performed successfully, demonstrated a fiscal integrity issue, or local elected officials have expressed interest in a redesignation).

Other criteria considered included local area total population, wages, education attainment, WIA Performance, High Impact WIB status and Work Ready Community status.

At the conclusion of the review, Initial local designation options included Option 1—No Change, Option 2—LEO Changes requested, and Option 3—Local Labor Market and Commuting Pattern Analysis. Ms. Brinly stated that the committee may explore other options or modify existing options. Discussion of the three Local Options or other options followed.

Ms. Taylor questioned Barren River's current status. Ms. Brinly stated that since the Governor has received a request from local elected officials for redesignation, they cannot automatically be considered for designation

under the current structure. There must be a letter from the local elected officials to remain under the current structure. Ms. Brinly stated that the Governor has received letters for the following areas to remain under the current structure: KentuckianaWorks, Lincoln Trail, West KY, Green River, Cumberlands and Northern KY. EKCEP's letter has been mailed and TENCO is finalizing their packet. All letters have been uploaded on a secure website for committee review. Additional letters will be posted upon receipt.

The committee considered the pros and cons of each Option. (Pros and Cons listed on uploaded PowerPoint document on website.)

Mr. Dunnigan asked if the local board would have to restructure. Once constituted, do they competitively procure fiscal agent?

Ms. Brinly explained that the fiscal agent and the direct service provider do not have to be the same. The direct service provider must be procured, but the fiscal agent is appointed by the Chief Elected Official. New Interlocal Agreements must be signed that will include how the fiscal agent is selected and how disallowed costs will be handled. The Chief Elected Official should be reminded that he/she is liable for resources – which are now stated in the contract.

Local areas that currently have contracts for direct service providers are KentuckianaWorks, EKCEP, Northern KY, and West KY. Under WIOA service delivery must be procured and commence on the first day of any quarter between July 1, 2015 – June 30, 2016.

Ms. Taylor asked what the impact was on the other counties if Fayette County pulls out. Ms. Brinly stated that as it relates to funding, about half and half. Ms. Collins stated that based on the current structure; there may be less money available for services.

Mr. Dunnigan stated that the Board needs authority to make decisions on service delivery. What authority can be given to the State Board? Ms. Brinly stated that the State Board can support the local boards in the development and continuous improvement of the statewide delivery system. Local areas may have two different service providers.

Mr. Whitehead stated that the work of the KWIB has been instrumental in the workforce system transformation. He further stated that the role of the Workforce Board and its functions are in concrete terms in WIOA.

Ms. Kuhn reminded the committee that their job is to make one recommendation. This is an initial recommendation. The committee will come back on February 11, after Listening Sessions are completed to make final recommendations to the KWIB.

Ms. Taylor commented that this is a timing issue. According to WIOA once local areas are designated, they will be in place for the next two years. Ms. Brinly stated that both Barren River and Bluegrass are working to be ready for new structure if granted. The new board must be in place by July 1, 2015. Also, the transition period regarding the direct service provider can occur between July 1, 2015 – July 1, 2016. The local boards should be in place and a Request for Proposals for the service provider must take place.

Mr. Haydon stated that if no changes in designation take place, the board must be in place. The Interlocal Agreements must be in place after March 2 meeting and by July 1, 2015.

Three of the committee members stated they favored Local Area Option 1 because it was the least disruptive to moving forward and that transformational change can take place in the regional planning. One committee member supported Option 3 because of commuting patterns.

Mr. Haydon stated that data is infinite. It is hard to decide what we should do based on options provided. We need to look at the priority of WIOA.

Mr. Dunnigan stated that either drastic change in areas be made or make changes in improvement in leadership and services.

Ms. Brinly led the discussion of Regional Options: Option 1 – Interstate Regions, Option 2 – Three Intrastate Regions, and Option 3 – 10 Intrastate Regions. Other options could be explored or the existing ones modified. By consensus, Option 3 was removed.

Additional Comments:

- Is the breakdown in communication in Bluegrass and Barren River able to be overcome?
- We either make drastic change or minimal change to improve services.
- The more you spread money and leadership, the less effective you are.
- We need to maximize dollars.
- If we elect to go with the Regional Option 2 (three Intrastate Regions), state must provide technical assistance.
- Combine Options 2 and 3.
- Problem with Regional Option 1 (Interstate), totally dependent on other states' bureaucracy. We already go across state lines under the current structure.
- Experienced other states' bureaucracy under the WIRED 65 project.
- We should either make no change or shake it all up.
- Could reconfigure Regional Option 2 to recognize BEAM region.
- 115 of 120 counties like the current setup.
- Local Option 3 is the most disruptive. Current Regional projects are in place.
- Local Elected Officials work for the taxpayers.
- Need to see system improvement no matter what option is selected.
- As a workforce system, need to figure out how to be relevant—this is a region's priority.
- How do we as an agency/Board meet our goals? Must be done statewide.
- Need to respect what Local Elected Officials think. If we could hear directly from them concerning their case and what the business community has to say, it would be helpful.

Ms. Brinly asked the committee, "Do we present Local Options 1 and 2 and then come back after listening sessions and make final recommendations?"

It was the consensus of the committee that Local Options 1 and 2 and Regional Option 2 be presented at the Listening Sessions. Important to define role of CEO -- Listening Session facilitator should set the context. Listening Session facilitator would state that the committee is currently exploring two options, but is open to additional options.

Ms. Kuhn urged committee members to attend the Listening Sessions.

Meeting adjourned.